

GMP Diversified Alpha Fund

Fund Description

The GMP Diversified Alpha Master Fund (the "Fund") is a tax-effective¹ Multi-Strategy Fund consisting of diversified investments. Our objective is to generate superior risk-adjusted absolute returns over the long term. The Fund will also seek to preserve capital through the ongoing use of prudent risk management

Performance Attribution

The Fund earned +0.08% return this month, net of fees. The Fund is up 3.06% YTD and 10.05% (rolling 12) with volatility materially less than the overall equity markets.

Equity

Equity allocation increased during the month to take advantage of cheaper prices. We had small negative performance in equities vs the market. We transitioned our focus from defensive to more economically sensitive companies with lower valuations.

Credit

The Credit strategy was positive in August notwithstanding the global markets concern with respect to the pace of the economic recovery forcing spreads to widen. We added a new core trade during the month when we were able to purchase the convertible debenture of a TSX listed gold company at its bond floor.

Quantitative

The Quantitative strategy was positive in August due to our volatility arbitrage strategy. Vols implied by option prices are higher than where indices are trading. It is our view that actively managing these positions present good risk return potential for the Fund.

Statistics

Last 12 Month Statistics

	Alpha Fund ²	Bloomberg Multi Strat Index	Credit Suisse Multi Strat Index	Barclay Multi Strat Index	S&P 500 Index	S&P TSX Index	S&P TSX60 Index	S&P TSX Venture
12 Month Return	10.05%	1.45%	8.54%	10.45%	2.81%	9.62%	6.32%	27.60%
Annualized Volatility	3.70%	5.62%	4.41%	3.95%	17.35%	13.95%	14.51%	20.41%
Winning Months	83%	50%	83%	83%	58%	67%	67%	75%
Average Monthly Gain	1.14%	1.41%	1.13%	1.24%	4.02%	3.45%	3.26%	4.94%
Average Monthly Loss	-0.84%	-1.14%	-1.50%	-1.18%	-4.80%	-4.36%	-4.75%	-5.97%
Sharpe Ratio (Rf = 0)	2.60	0.26	1.87	2.52	0.16	0.66	0.42	1.21
Correlations (Alpha to)	1	0.463	0.802	0.821	0.489	0.291	0.233	0.722

Monthly Performance (Inception April 2008)

	Sep/09	Oct/09	Nov/09	Dec/09	Jan/10	Feb/10	Mar/10	Apr/10	May/10	Jun/10	Jul/10	Aug/10	Last 12 Mo.	Since Inception
Alpha Fund (Net)	2.35	1.14	1.04	2.08	1.69	0.11	1.32	1.41	-1.01	-0.67	0.13	0.08	10.05	16.95
S&P TSX (Gross)	4.85	-4.25	4.92	2.61	-5.55	4.83	3.51	1.44	-3.67	-3.98	3.71	1.71	9.62	-10.76
S&P 500 (Gross)	3.57	-1.98	5.74	1.78	-3.70	2.85	5.88	1.48	-8.20	-5.39	6.88	-4.74	2.81	-20.67

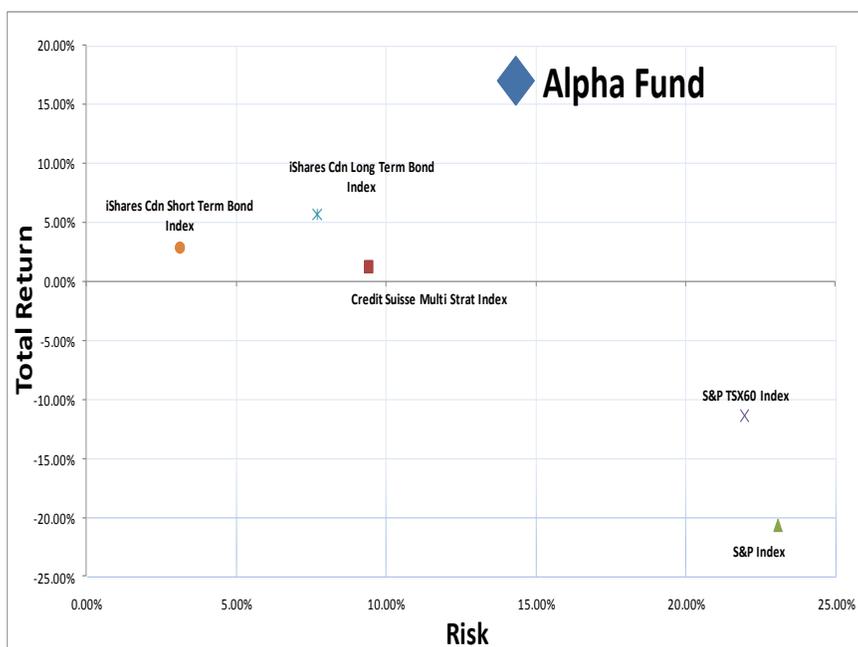
¹ All references to tax herein are from a Canadian perspective. Non-Canadian investors should seek independent tax advice.

² Alpha Fund Performance is shown net of fees. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Multi-Strategy Benefits

The Fund achieves broad diversification through our Multi-Strategy approach. The mandate of the Fund allows for exposure to Equity, Credit and Quantitative investment opportunities. Different asset classes allow for superior risk adjusted returns during different periods of the business and market cycles. By prudent management of Equity, Credit and Quantitative investments and dynamically managing risk we seek to deliver consistency of returns, not correlated to returns of other asset classes. The Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk-management tools.

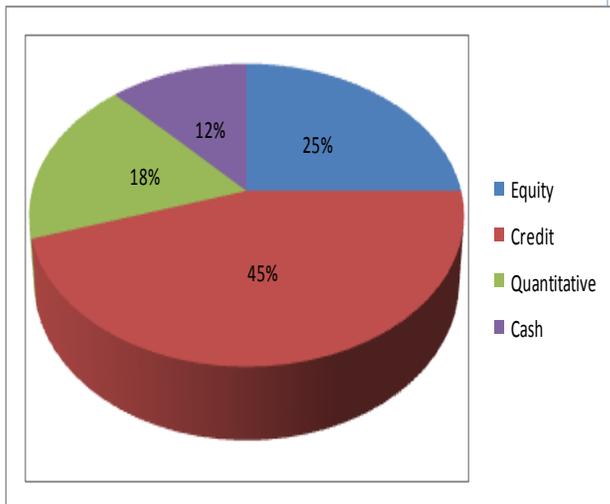
Focus on Risk Adjusted Returns



Source: Bloomberg, Total Return and Annualized Volatility since Fund inception, April 2008

GMP Diversified Alpha Fund

Portfolio Allocation As at Sept 20, 2010



Allocation Commentary

The Fund continues to focus on protecting investors capital and cautiously deploying capital against a very rough market. August was no exception. We started the month with a large equity index hedge (via an S&P 500 put spread with September expiry). Coupled with our balanced long and short equity positions, we managed through the volatile month generating positive performance. The S&P 500 was down (4.74)% in the month, following a positive 6.88% swing in July. The market continued to be nervous, and when combined with low levels of liquidity, resulted in exaggerated swings during the summer months. We continued to manage risk through August in 3 ways. Firstly, our allocation of capital continued to favour the risk/return characteristics of the credit markets. Secondly, we balanced our equity book with longs and selective shorts so as to reduce the beta exposure of the strategy. Lastly, our Quant strategy continued to provide ballast to the portfolio by managing the changing monthly volatility picture. As the U.S. selloff continued through the month, we took our short equity exposure down and realized profitable trades. This left us with a slightly larger overall long equity exposure as we entered September.

About the "Fund"

Fund Assets: \$312MM (as at Sept 1, 2010)
 Fund Inception: April, 2008
 Fund Details: 2% Management Fee
 20% Performance Fee
 High Water Mark, no reset
 RSP Eligible
 Fund Advisor: GMP Investment Management L.P.
 Prime Broker: TD Securities
 RBC Capital Markets
 Administrator: Citigroup Fund Services
 Auditor: Deloitte & Touche LLP
 Lawyer: McMillan LLP
 FundSERV: GMP104 (A-I Class)
 GMP105 (F-I Class)

GMPIM at a Glance

People

We have 17 experienced capital markets professionals involved in managing the Fund. All Managing Partners have significant personal investments in the Fund. The Fund has an oversight board and dedicated compliance and finance functions. We involve reputable and independent firms to provide audit, legal and operations oversight.

Process

The Fund is managed to minimize risk and maximize return over time. Our real time risk management system emphasizes both capital preservation and managing risk across positions and sectors. We apply absolute risk limits within the Fund in addition to proprietary models to maximize our risk/return posture.

Performance

The Fund seeks to provide absolute returns over time. Our goal is to limit the variability of monthly returns and to achieve positive monthly performance. The Fund will reinvest income earned to achieve long term total return for investors.

Benefits

Investors will benefit from the rigorous process employed in the management of the Fund. Our investment process, our people, our portfolio allocation and our tax effective structure provide a unique investment opportunity in Canada.

This material is for information only, and is not to be construed as an invitation to make an investment in GMP Diversified Alpha Fund (the "Fund"), nor does it constitute a public offering to sell the Fund or any other products described herein.. This material should not be relied upon when evaluating the merits of a potential investment in any funds managed by GMP Investment Management L.P. Applications for the Fund will only be considered in accordance with terms stated in the Fund's confidential offering memorandum (the "Offering Memorandum"). The information contained in this material is subject to change without notice and GMP Investment Management L.P. and its affiliates will not be held liable for any inaccuracies or misprints. Past performance may not be repeated. An investment in the Fund is not intended as a complete investment program and should only be made after consultation with independent investment and tax advisors. Please refer to the Offering Memorandum for a further discussion of the risks of investing in the Fund. GMP Investment Management L.P. is registered as both Portfolio Manager and Exempt Market Dealer, and as such is prepared to engage as an Adviser or Exempt Market Dealer in respect of securities of its related issuers and, in the course of distribution, of securities of connected issuers, but only to the extent from time to time permitted by applicable securities legislation or rule, policy, directive or order of any securities regulatory authority.